

SENATOR ERET: Thank you, Mr. President and members. I commend Senator Vickers for bringing this resolution before us this morning. I think it is important and I think it is timely and I think it is a time during which our Department of needs to proceed with caution. We have passed bill 1026 which does designate the ability to take over failing banks in the state. I would hope that the Banking Department does not administratively line up series of failed banks now for...to be taken over because if the producers can maintain their interest payments I think this should be recognized as at least keeping up that part of it. If some principle payments have to be postponed temporarily, I think this should be acceptable under the times that we are in. Because it is for the interest payments that those banks are in business in the first place. So they will be collecting their interest anyway. That is the business they are in. So again, I commend Senator Vickers for having us recognize this problem and pass this recommendation on to our Banking Department. Thank you.

PRESIDENT: Senator Kahle.

SENATOR KAHLE: Mr. President and members, I also want to commend Senator Vickers and add my support to what he is trying to do here, it is tough. I sometimes think down here the City of Lincoln and perhaps the City of Omaha that they are not aware of what is really going on out there in the interland. It is tough. People that were on a sound financial basis a couple of years ago now find themselves in trouble because of several things. One is of course that the interest rates are still too high. There is just no way that we can function with that kind of an interest rate if it continues. The other thing of course is that the price of our products are not high enough to pay off those debts. Not only that, the price of machinery or the equity that farmers have in their equipment and in their land has dropped about in half in the last couple of years and of course when the bank examiner comes and they really want to pay it by the book most farmers are in trouble. I remember the 30's and we had moratoriums on payments and people raised their eyebrows at that time, but those that were able